

Business and Financial Services - Professional and Timely Products

Agency/Program #: 6901-06-G1
Division: Business and Financial Services
Program: Payments

Agency Name:	Department of Health and Human Services	
Agency Contact:	Laurie Lamson / Scott Sim	444-9407
LFC Contact:	Senator Cobb, Senator Williams	
LFD Liaison:	Marilyn Daumiller	444-5386
OBPP Liaison:	Pat Sullivan	444-1207

Program or Project Description:

The division's Fiscal Operations Bureau makes payments to vendors, providers, clients and employees for costs related to program and department operations. The bureau encourages, but cannot require, electronic payments. The bureau's objective is to maximize the use of electronic means of payment by issuing proportionately more payments by electronic funds transfer, while being sensitive to the needs of customers for paper warrants.

NOTE:

The appropriation and expenditure data below represent the entire Business and Financial Services Division Budget.

Appropriation, Expenditure and Source

Fund Name:	2008		2009		Approp & Expenditure numbers are as of April 15, 2007
	Approp.	Expended	Approp.	Expended	
General Fund	3,937,312	3,309,698	3,862,881		<i>See Data sheet for more detail</i>
State Special	957,369	849,980	968,288		
Federal Funds	4,718,824	3,799,874	4,589,175		
Total:	\$9,613,505	\$7,959,552	\$9,420,344	\$0	

Legislative Goal(s):

Provide professional and timely products and or services in response to the needs of the customer for Fiscal Years 2008 and 2009, projecting a combination of 540,000 warrants and Electronic Fund Transfer (EFT) payments issued per year, with a goal of 5% growth for the biennium in electronic payments.

Legislative Performance Measures :

Track proportionate increase in EFT's compared to total payments issued. (Report on the goal of 5% growth for the biennium in electronic payments.)

The division is using a measurement basis that compares the proportionate Electronic Fund Transfer payments to the total of EFT and Warrant payments issued by BFSD. The base line proportion of electronic payments as of June 30, 2007 is 56.4%. Five percent growth is calculated as $56.4\% \times 105\% = 59.2\%$ goal for the biennium.

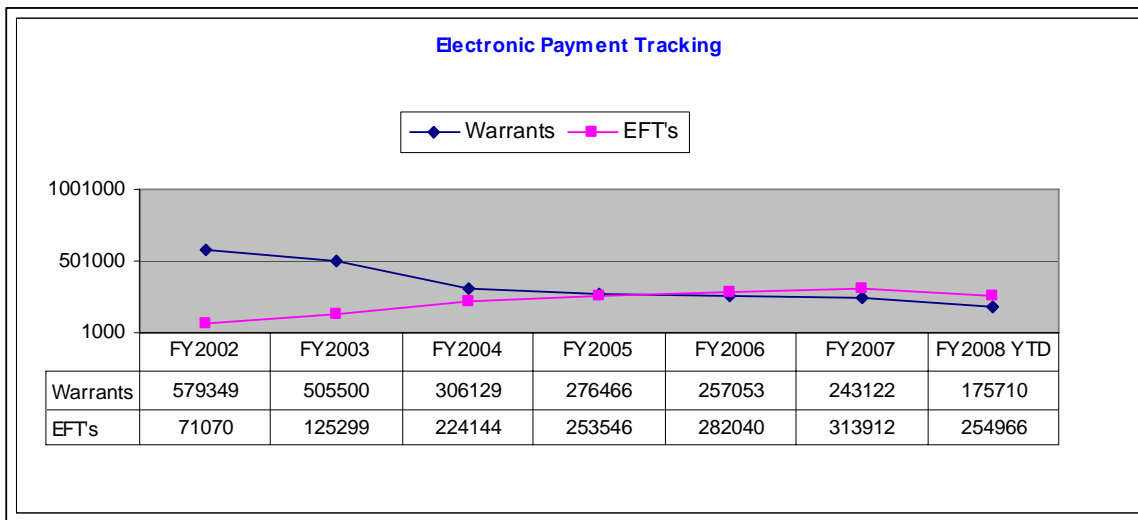
2009 Biennium Significant Milestones:

Completion Dates
Target **Actual**

The target date for achievement of the objective is June 30, 2009.		
1	6/30/2009	
2		
3		
4		
5		

Agency Performance Report:

Factors affecting the proportion of electronic payments include preferences of vendors, providers, clients and employees, especially clients without bank accounts and small providers; and requirements or guidelines of federal programs. Benefits to the department of electronic payment systems include cost savings in processing and mailing, and enhanced cash management. The bureau has made 59.2% of payments by electronic funds transfer as of March 31, 2008; however the achievement of goal is cumulative through the biennium, and will fluctuate during the remaining months.

**LFD Narrative:**

LFD ASSESSMENT: On Track

DATA RELEVANCE: Data provided indicated that the program is on track.

APPROPRIATION RELEVANCE and COMMENTS: The division projects about a \$300,000 deficit for FY 2008 due to some major expenses such as SABHRS and Warrant Writer. BFSD is the centralized business center for the agency and fixed costs annually comprise a large portion of operating expenditures. The increase in warrant writing is primarily to account for the Big Sky Rx Program. There is sufficient appropriation authority within the agency to cover this amount by year end.

OPTIONS:

1. Accept the ranking and receive an update in June of 2009
2. Accept the ranking and eliminate further reports



Version	Date	Author
6901-06-G2--BO-2	5/19/08	Daumiller
6901-06-G2--BO-1	12/4/07	Daumiller

Change Description
Added LFD narrative
Added LFD narrative